

1 AN ACT relating to campaign finance.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 121.175 is amended to read as follows:

4 (1) **As used in this section:**~~[No candidate, committee, or contributing organization shall~~  
5 ~~permit funds in a campaign account to be expended for any purpose other than for~~  
6 ~~allowable campaign expenditures.]~~

7 **(a) 1.** "Allowable campaign expenditures" means expenditures including  
8 reimbursement for actual expenses, made directly and primarily in  
9 support of or opposition to a candidate, constitutional amendment, or  
10 public question which will appear on the ballot and includes, but is not  
11 limited to:~~[,]~~

12 **a.** Expenditures for staff salaries;~~[,]~~

13 **b.** Gifts and meals for volunteer campaign workers;~~[,]~~

14 **c.** Food and beverages provided at a campaign rally;~~[,]~~

15 **d.** Advertising;~~[,]~~

16 **e.** Office space;~~[,]~~

17 **f.** Necessary travel;~~[,]~~

18 **g.** ***Necessary childcare expenses;***

19 **h.** Campaign paraphernalia;~~[,]~~

20 **i.** Purchases of advertisements in athletic and scholastic  
21 publications;~~[,]~~

22 **j.** Communications with constituents or prospective voters;~~[,]~~

23 **k.** Polling and consulting;~~[,]~~

24 **l.** Printing, graphic arts, or advertising services;~~[,]~~

25 **m.** Postage, office supplies, stationery, newsletters;~~[,]~~ and

26 **n.** Equipment which is used primarily for the administration of the  
27 campaign.

1           2. "Allowable campaign expenditures" does not include expenditures of  
2 funds in a campaign account;

3           a. For any purpose made unlawful by other provisions of the  
4 Kentucky Revised Statutes;~~[-or]~~

5           b. Which would bestow a private pecuniary benefit, except for  
6 payment of the reasonable value of goods and services provided  
7 upon a candidate, member of the candidate's family, committee, or  
8 contributing organization, or any of their employees, paid or  
9 unpaid, including~~[-]~~ tickets to an event which is unrelated to a  
10 political campaign or candidacy;

11           c. *For* items of personal property for distribution to prospective  
12 voters, except items bearing the name, likeness, or logo of a  
13 candidate or a campaign-related communication;

14           d. ~~[expenditures]~~To promote or oppose a candidacy for a leadership  
15 position in a governmental, professional, or political organization,  
16 or other entity; or

17           e. *For*~~[and]~~ equipment or appliances the primary use of which is for  
18 purposes outside of the campaign;

19           (b) *"Directly" means that the candidate would not have incurred the childcare*  
20 *expense if the candidate did not engage in the campaign activities; and*

21           (c) *1. "Necessary childcare expenses" means the reasonable costs of*  
22 *childcare incurred by a candidate resulting directly from the candidate*  
23 *engaging in campaign activities and includes:*

24           a. *For a dependent child:*

25           i. *Professional daycare services, babysitting, and nanny*  
26 *services; and*

27           ii. *Before- and after-school programs, summer day camps,*

1 and preschools; and

2 b. For a disabled, dependent child, those costs itemized in  
 3 subdivision a. of this subparagraph and also the costs related to  
 4 a nurse, home care provider, or other care provider.

5 2. "Necessary childcare expenses" does not include:

6 a. Private school tuition;

7 b. Medical expenses;

8 c. Tutoring services; or

9 d. Payments to a relative within the third degree of consanguinity  
 10 of a child, unless the relative owns or operates a professional  
 11 daycare or babysitting service and the cost of the service is no  
 12 greater than the relative would otherwise charge.

13 (2) No candidate, committee, or contributing organization shall permit funds in a  
 14 campaign account to be expended for any purpose other than for allowable  
 15 campaign expenditures.

16 (3) The provisions of KRS 121.190 notwithstanding, a candidate shall not be required  
 17 to include a disclaimer on campaign stationery purchased with funds from the  
 18 candidate's~~[his]~~ campaign account.

19 (4) A member of the General Assembly may utilize funds in the member's~~[his]~~  
 20 campaign account to purchase admission tickets for political party functions and  
 21 caucus campaign committee functions, to purchase items with a value of no more  
 22 than~~[not in excess of]~~ one hundred dollars (\$100) for donation to a political party or  
 23 caucus campaign committee for auctions and fundraisers, and to participate in or  
 24 support other events sponsored by a political party or caucus campaign committee.

25 (5) A member of the General Assembly may make allowable campaign expenditures in  
 26 both election years and nonelection years.

27 (6)~~[(2)]~~ ~~[By December 31, 1993, ]~~The registry shall promulgate administrative

- 1 regulations to implement and enforce *this section*~~[the provisions of subsection (1)]~~.
- 2 ~~(Z)(3)~~ In lieu of the penalties provided in KRS 121.140 and 121.990 for a violation  
3 of this section, the registry may, after hearing:
- 4 (a) For a violation which was not committed knowingly, order the violator to  
5 repay the amount of campaign funds which were expended for other than  
6 allowable campaign expenditures, and if not repaid within thirty (30) days,  
7 may impose a fine of up to one hundred dollars (\$100) for each day the  
8 amount is not repaid, up to a maximum fine of one thousand dollars (\$1,000);  
9 and
- 10 (b) For a violation which was committed knowingly, in addition to referring the  
11 matter for criminal prosecution, order the violator to repay the amount of  
12 campaign funds which were expended for other than allowable campaign  
13 expenditures, and if not repaid within thirty (30) days, may impose a fine of  
14 up to one hundred dollars (\$100) for each day the amount is not repaid, up to a  
15 maximum fine of one thousand dollars (\$1,000).